

News Release  
For Release Immediately  
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## **TOWN CENTER BANK REPORTS DECEMBER 31, 2017 RESULTS**

New Lenox, IL, February 14, 2018 – Town Center Bank (the “Bank”) (TCNB), announced its financial results for the year ended December 31, 2017. The Bank reported net income of \$151,000 and \$697,000 for the year ended December 31, 2017 and 2016, respectively.

Other significant items to note include:

Net interest income for the year ended December 31, 2017 and 2016 was \$3.6 million and \$3.2 million, respectively.

Non-interest income was \$321,000 and \$379,000 for the year ended December 31, 2017 and 2016, respectively, while non-interest expense increased to \$3,653,000 from \$3,396,000

A provision for loan losses of \$25,000 was recorded in June 2017 and \$550,000 in provision for loan losses was reversed in September 2016.

Total shareholders’ equity at December 31, 2017 was \$9.8 million. The Bank’s Tier 1 capital to average total assets ratio was 10.13% and the total capital to risk-weighted assets ratio was 13.76%.

The Bank’s total assets increased \$4.2 million in the year ended December 31, 2017 from growth in loans of \$11.2 million and reduction in securities available for sale of \$5.9 million and cash and cash equivalents of \$1.1 million.

Total deposits increased \$1.0 million during the year ended December 31, 2017 to \$85.4 million from \$84.4 million at December 31, 2016. Non-interest bearing deposits increased by \$5.4 million during the year and interest-bearing deposits decreased by \$4.4 million. Federal Home Loan Bank advances increased by \$3 million and federal funds sold decreased by \$0.7 million during the year.

Statements contained in this report that are not purely historical are forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, including our expectations, intentions, beliefs, or strategies regarding the future. Any forward-looking statements set forth herein are necessarily subject to significant uncertainties and risks. Any statements in this document about expectations, intentions, beliefs, plans, objectives, assumptions, future events or performance are not historical facts and are forward-looking statements. These statements may often, but not always, be identified by words such as “may,” “should,” “could,” “predict,” “potential,” “believe,” “will likely result,” “expect,” “anticipate,” “seek,” “estimate,” “intend,” “plan,” “projection,” “would” and “outlook,” and similar expressions. Examples of forward-looking statements include, but are not limited to, statements we make regarding “beliefs about loan losses” and “expectations regarding customer preference.” The foregoing is not an exclusive list of all forward-looking statements we make.

TOWN CENTER BANK  
BALANCE SHEETS  
(Unaudited)  
(Dollar amounts in thousands, except share and per share data)

	December 31, <u>2017</u>	December 31, <u>2016</u>
<b>ASSETS</b>		
Cash and due from banks	\$ 966	\$ 895
Interest-bearing deposits with banks	3,218	3,834
Federal funds sold	<u>849</u>	<u>1,559</u>
Cash and cash equivalents	5,033	6,288
Securities available-for-sale, at fair value	25,156	31,103
Loans, net of allowance for loan losses of \$877 at December 31, 2017 and \$817 at December 31, 2016	67,243	55,996
Federal Home Loan Bank stock	135	74
Premises and equipment, net	400	442
Accrued interest receivable and other assets	<u>481</u>	<u>395</u>
	<u>\$ 98,448</u>	<u>\$ 94,298</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Deposits		
Non-interest bearing	\$ 18,566	\$ 13,149
Interest-bearing	<u>66,835</u>	<u>71,257</u>
Total deposits	85,401	84,406
Federal Home Loan Bank borrowings	3,000	-
Accrued interest payable and other liabilities	<u>277</u>	<u>151</u>
Total liabilities	88,678	84,557
Shareholders' equity		
Common stock, \$1 par value; 3,234,000 shares authorized at December 31, 2017 and December 31, 2016; 2,333,660 shares issued and outstanding at December 31, 2017 and December 31, 2016	2,333	2,333
Additional paid-in capital	20,680	20,680
Accumulated deficit	(12,891)	(13,042)
Accumulated other comprehensive income (loss)	<u>(352)</u>	<u>(230)</u>
Total shareholders' equity	<u>9,770</u>	<u>9,741</u>
	<u>\$ 98,448</u>	<u>\$ 94,298</u>

TOWN CENTER BANK  
 STATEMENTS OF OPERATIONS and COMPREHENSIVE INCOME  
 (Unaudited)

(Dollar amounts in thousands, except share and per share data)

	Year Ended December 31, <u>2017</u>	Year Ended December 31, <u>2016</u>
Interest income		
Loans, including fees	\$ 3,290	\$ 2,926
Securities	681	715
Federal funds sold and other	<u>32</u>	<u>61</u>
Total interest income	4,003	3,702
Interest expense		
Deposits	458	519
Federal Funds Purchased	9	-
Federal Home Loan Bank and other borrowings	<u>28</u>	<u>19</u>
Total interest expense	495	538
<b>Net interest income</b>	3,508	3,164
Provision for loan losses	<u>25</u>	<u>(550)</u>
<b>Net interest income after provision for loan losses</b>	3,483	3,714
Noninterest income		
Service charges on deposits	121	96
Mortgage banking income	118	209
Other income	<u>82</u>	<u>74</u>
Total noninterest income	321	379
Noninterest expense		
Salaries and employee benefits	1,625	1,503
Occupancy and equipment	416	432
Data processing	601	604
Professional fees	324	227
FDIC deposit insurance	33	88
Advertising and marketing	50	58
Gain on sale of other real estate	(19)	-
Litigation settlement	162	-
Other real estate expenses	8	-
Other	<u>453</u>	<u>484</u>
Total noninterest expense	<u>3,653</u>	<u>3,396</u>
<b>Income before income taxes</b>	151	697
Income tax expense	<u>-</u>	<u>-</u>
<b>Net income</b>	<u>\$ 151</u>	<u>\$ 697</u>
<b>Other comprehensive income (loss)</b>		
Holding losses on securities available-for-sale	<u>\$ (122)</u>	<u>\$ (271)</u>
<b>Comprehensive income</b>	<u>\$ 29</u>	<u>\$ 426</u>
Basic and diluted income per share	<u>\$ 0.06</u>	<u>\$ 0.30</u>
Basic and diluted weighted average common shares outstanding	2,333,660	2,333,660